

Washington, D.C. – Congressman Charlie Wilson (OH-6) is pleased that the Financial Services Committee is moving forward with draft legislation known as the “FHA Housing Stabilization and Homeownership Retention Act.” Wilson is a member of the Financial Services Committee.

Following two days of testimony by four panels, Committee Chairman Barney Frank said that he expects the bill to be marked up and voted on by the committee later this month.

“We’ve got to stem the foreclosure tide,” Wilson said. “Ohio is one of the states hardest hit by this foreclosure crisis. By keeping families in their homes we can stabilize entire communities,” Wilson added.

This draft legislation is an economic, mortgage and housing rescue proposal. It could provide up to \$300 billion in new guarantees to refinance at-risk borrowers into good mortgages. In addition the draft bill would overhaul the Federal Housing Administration (FHA) and provide loans and grants to buy and rehabilitate vacant, foreclosed homes.

Doug Garver, Executive Director of the Ohio Housing Finance Agency, testified on the fourth and final panel. Wilson took the opportunity to highlight some of the things that Ohio is doing as it deals with the crisis.

“My question is to you Mr. Garver. In your testimony you said that there have been some pretty good innovative things that other states are doing and I’m sure that Ohio is doing them as well, could you hit on some of those for the committee?” Wilson asked.

Garver answered that Ohio is doing a lot of outreach to homeowners. “There are a lot of folks who just don’t understand what’s going on. It’s been estimated 50% of borrowers don’t get in touch with their lender or their servicer until it’s too late,” Garver said.

Wilson noted that even people who might be perceived as being on opposite sides of this issue seemed to come to the same conclusion.

“I was interested to hear the almost unanimous consent by the panelists that major action needs to be taken to address this crisis. People seem to agree that the market will not simply heal itself,” Wilson said.

Ohio saw its foreclosure rate increase by 88% in 2007.